

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7311

BILL NUMBER: HB 1775

NOTE PREPARED: Jan 9, 2003

BILL AMENDED:

SUBJECT: Unsafe Buildings.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: The bill establishes procedures for the forfeiture of real property containing unsafe buildings to a county or municipality when the owner of the unsafe building willfully refuses to comply with an order to remove the unsafe building. It increases the civil penalty that may be imposed for the willful refusal to comply with an order to remove an unsafe building from \$1,000 to \$15,000. It provides that forfeiture is in the alternative to the civil penalty. The bill also provides for the disposition of property acquired by forfeiture.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues: *Court Fee Revenue:* If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed. 70% of the filing fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill increases the civil penalty for willful refusal to comply with an order to remove an unsafe building from \$1,000 to \$15,000. Money from this penalty is to be deposited in the Unsafe Building Fund that is established by the city or county department which is authorized to enforce the Unsafe Building Law.

If a county or municipality acquires property through forfeiture, the unit may dispose of the property via an urban homesteading program, in accordance to real property disposal procedures provided in statute, via a redevelopment commission, or via transfer to a nonprofit organization. If a county or municipality transfers the property to a nonprofit organization, then the bill requires all delinquent taxes and penalties be removed from the tax duplicate. This will cause a revenue reduction for the units that serve the property. In addition, the property would likely be exempt from property taxation thereby shifting the property tax burden from the properties in question to all other property tax payers. This provision is dependent on local action.

Court Fee Revenue: If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

State Agencies Affected:

Local Agencies Affected: Counties, municipalities, trial courts, city and town courts.

Information Sources:

Fiscal Analyst: Valerie Ruda, 317-232-9867